

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:1125

ANSWERED ON:21.08.2007

EXEMPTION OF EXCISE DUTIES IN SPECIAL ECONOMIC ZONES

Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government of Tamil Nadu has requested the Union Government for exemption from excise duties and sale of goods in the domestic tariff area in respect of the electronics and hardware products to be manufactured in Nanguneri Special Economic Zone as provided to the State of Uttaranchal;

(b) if so, the details thereof;

(c) if not, the reasons therefor; and

(d) the action taken/proposed to be taken by the Union Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) to (d): A reference received in this regard was examined in the Department of Commerce. As per the provisions of the Special Economic Zones (SEZ) Act, 2005 and the SEZ Rules, 2006 while the units located in the Special Economic Zones are eligible for goods and services required for their authorized activities without payment of Central Excise duty and service tax, the goods manufactured by these SEZ Units are treated as import into domestic tariff area and are required to pay duties as per the prevailing tariff for imported goods.